

# Annual Report 2022

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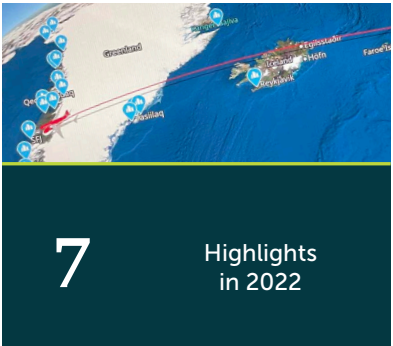


# Contents

Company information.....	3
Management’s review .....	6
Naviair’s management.....	19
Statement by the Executive Board and the Board of Directors .....	20
Independent auditors’ report .....	21
Accounting policies.....	24
Income statement.....	28
Balance sheet.....	29
Statement of changes in equity.....	30
Cash flow statement .....	30
Notes .....	31
Sustainability Report 2022.....	39

Annual Report 2022  
– published in March 2023

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[www.naviair.dk/ar](http://www.naviair.dk/ar)





# Company Information



The world's largest transport aircraft, an Antonov-225, visited Billund in 2022.

**Naviair**  
Naviair Allé 1  
DK 2770 Kastrup

CVR: 26059763  
Registered office: Kastrup  
Financial year: 01.01.2022-31.12.2022

Naviair is a state-owned infrastructure company with status as a company owned by the Danish state represented by the Ministry of Transport.

Naviair has been designated by the Danish Civil Aviation and Railway Authority to provide air navigation services.

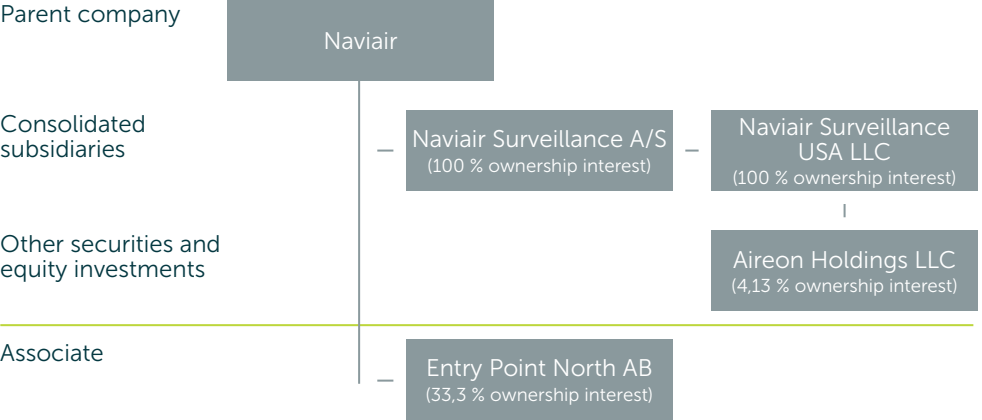
**Board of Directors**  
Anne Birgitte Lundholt, Chairman  
Per Møller Jensen, Deputy Chairman  
Esben Jean-Pierre Blum \*  
Flemming Kim Hansen \*  
Peter Labusz\*  
Jørgen Martin Meyer  
Birthe Høegh Rask \*\*  
Christina Rasmussen \*\*\*

*\*) Elected by the employees*  
*\*\*) Chairman of the Board of Directors' Audit Committee*  
*\*\*\*) Member of the Board of Directors' Audit Committee*

**Executive Board**  
Carsten Fich, CEO  
Mads Kvist Eriksen, CFO

**Auditors**  
PricewaterhouseCoopers  
Strandvejen 44  
DK 2900 Hellerup  
Rigsrevisionen  
Landgreven 4  
DK 1301 Copenhagen

## Group structure at 31 December 2022





## Naviair's mission

We will facilitate availability and mobility in airspace to support growth and safety in Denmark

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## Naviair's vision

### We will challenge

one another to strike the right balance between capacity, service and costs to improve availability in Denmark

### We will develop

the infrastructure so that aviation can widen its reach and thus contribute to increased mobility in Denmark

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## Naviar's core activities

### Aeronautical Information Service (AIS)

We provide Aeronautical Information Publications (AIPs) in Denmark, Greenland and the Faroe Islands.

### Air Traffic Management (ATM) in Danish airspace

From the ATCC in Copenhagen, we provide area control services (En route) and approach control service to Copenhagen Airport.

From the tower in Copenhagen, we provide aerodrome control service.

From the towers in Roskilde, Billund, Aarhus, Aalborg and on Bornholm, we provide local aerodrome and approach control services.

### Flight Information Services (FIS) in Denmark and the North Atlantic area

From the ATCC in Copenhagen, we provide Flight Information Services and briefing service.

From the ATCC in Nuuk, we provide Flight Information Services and briefing service.

From the tower on Vágar in the Faroe Islands, we provide Aerodrome Flight Information Service.

### Technical support and maintenance

We are responsible for technical support and maintenance of our own navigation systems, communications systems, surveillance systems and other ATM equipment in Denmark, Greenland and the Faroe Islands.

From our technical bases in Copenhagen, Billund and Aalborg, we sell technical support and maintenance to aviation customers.

## Management's review



2022 has been a special year in aviation. Following the global pandemic, air passengers have started to return and, compared to 2021, traffic is recovering. While the number of controlled operations in Danish airspace in 2021 was around 45 percent of the 2019 level, this figure has increased to around 75 percent in 2022. However, the increase is lower than Eurocontrol's forecast for 2022. There are a number of factors at play here. The war in Ukraine and the subsequent restrictions and airspace closures played a significant role in the lower traffic levels, resulting in a 6-7 percent decrease in the number of operations in Danish airspace. Traffic has also been affected by a prolonged pilot strike at SAS over the busy summer period.

The year has also been characterised by changing traffic patterns, making air traffic less predictable than it was back in 2019. More leisure travellers and fewer business travellers has changed traffic flow compared to before.

In 2022, Naviair provided an efficient traffic flow with a very low number of delay minutes compared to the rest of Europe. Altogether, Naviair imposed 762 delay minutes on airlines in 2022. In the en route area, there was an average delay of 0.00 minutes per operation and the average delay at Copenhagen Airport was 0.02 minutes per operation, which means that we have met the requirements set by the EU for the third reference period (RP3) in terms of capacity.

In the environmental area, Naviair has maintained its second place among Eurocontrol's 41 member countries in terms of how close the actual route flown by an aircraft is to the most direct – and thus the most optimal – route through Danish airspace. In 2022, 98.77 percent of all flights in Danish airspace took the most direct route. The 98.86 percent target of all flights taking the most direct route with no detours has therefore not been met.

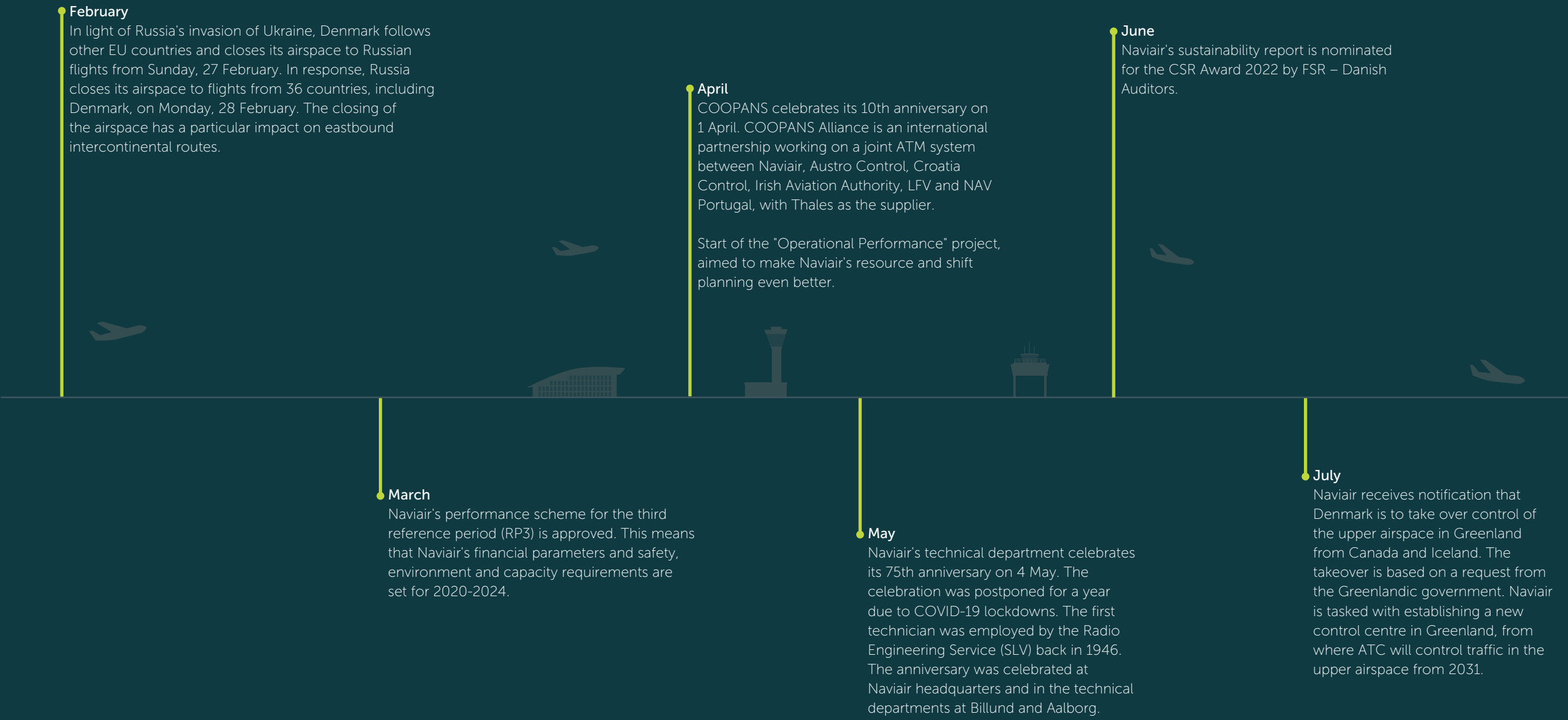
Naviair's sustainability work includes several initiatives in addition to direct routing. In 2022, Naviair's Board of Directors approved a concrete plan to reduce Naviair's direct CO<sub>2</sub> emissions by 70 percent by 2030 compared to 2015. The plan includes energy optimisation and renovation and is described in more detail in Naviair's 2022 Sustainability Report.

The result for the year was a profit of DKK 34.5 million, which is better than expected. The lower traffic means that Naviair's debt – arising from the COVID-19 pandemic – was higher than expected in 2022. The plan for debt reduction in 2027/2028 remains unchanged.

In June 2022, the government decided that Denmark is to take over control of the upper airspace in Greenland, following a request from the Greenlandic government, Naalakke suisut. Naviair has been asked to establish a control centre, providing up to 100 local jobs in Nuuk, to take over control of the airspace. This will be a major and important task for Naviair and will be carried out in close coordination with Naviair's owner, the Ministry of Transport, and the Danish Civil Aviation and Railway Authority, as well as other relevant Greenlandic and Danish stakeholders.



Highlights in 2022 (JAN-JUL)



Highlights in 2022 (AUG-DEC)

August

Claus Baunkjær takes over as new CEO of Naviair on 1 August 2022.

Naviair’s Board of Directors visits Greenland and meets government authorities, the Danish Defence and Naviair’s employees in Nuuk.

October

New seven-year traffic forecast from Eurocontrol for 2022-2028, in which air traffic is revised downwards compared to the last forecast from June. Air traffic in Denmark is expected to recover to the same levels as before the COVID-19 pandemic by 2028.

The ATC profession celebrates its centenary, commemorated on 20 October, which is also International Air Traffic Controller Day.

Naviair comes second in the Innovative Apprenticeship of the Year awards, after being nominated by an electronics trainee. The award is given to companies that have excelled on a professional, social and managerial level.

December

Decision to reorganise Naviair’s drone sector due to the expiry of a special grant for the drone area at the end of 2022.

September

Naviair is certified as an ATS provider in the UK, a requirement for providing ATC in an area of the North Sea known as "North Sea High" (sector N). Certification means Naviair can continue to provide ATC in the area after Brexit.

Naviair finalises a control bid for training a team of air traffic controllers starting in 2023. The bid must ensure that the services Naviair procures are market-driven and competitive.

Eurocontrol publishes a report that places Copenhagen Airport in the top three European airports with the greenest landings in terms of

the operational efficiency of arriving aircraft. This accolade is thanks to a good and close collaboration between Copenhagen Airport and Naviair.

At Billund Airport, a 44.95 metre high panoramic mast is installed. At the top of the mast there are 16 cameras that can film 360 degrees, part of the process towards a fully digitised tower service in Billund.

Naviair’s newly qualified electronics technician wins the Metal Industry’s Apprentice Award.

November

Naviair supports more green landings at Copenhagen Airport with the introduction of Performance Based Navigation (PBN). The new procedures mean aircraft can stay at cruising altitude for longer before beginning their descent to the airport. By minimising the time spent at lower altitudes, aircraft save fuel and reduce CO<sub>2</sub> emissions.



## Key figures and financial ratios

Naviar's financial performance since 1 January 2017 can be described using the key figures and financial ratios below:

	GROUP				
(Mio. DKK)	2022	2021	2020	2019	2018
<b>Income statement</b>					
Revenue	960,5	884,3	957,2	937,2	957,7
Operating profit (loss)	53,4	5,4	-12,0	39,6	93,2
Net financials	-10,6	-8,7	-41,0	1,5	-2,7
<b>Profit (loss) for the year</b>	<b>34,5</b>	<b>-2,2</b>	<b>-47,0</b>	<b>37,4</b>	<b>70,3</b>
<b>Balance sheet</b>					
Fixed assets	1.285,3	1.298,3	1.329,3	1.399,1	1.387,4
Current assets	1.140,4	1.018,2	584,4	480,6	431,9
Balance sheet total	2.425,7	2.316,5	1.913,6	1.879,7	1.819,3
Interest-bearing debt	940,0	829,7	431,1	200,0	200,0
- of which subordinated loan capital	200,0	200,0	200,0	200,0	200,0
Equity	1.114,9	1.082,8	1.085,5	1.134,6	1.101,8
<b>Cash flows</b>					
Cash flows from.					
- operating activities	4,6	-286,9	-301,0	140,5	157,9
- investing activities	-100,7	-82,4	76,5	-162,3	-222,9
- financing activities	75,1	398,8	175,0	-	-
The year's investments in property, plant & equipment	-81,4	-60,1	-47,6	-73,5	-93,1
Net increase (decrease) in cash & cash equivalents	-21,0	29,4	-49,4	-21,9	-65,0
Cash and cash equivalents at 31 December	18,8	39,8	10,4	59,8	81,7
<b>Average number of employees</b>	603	613	627	630	631
<b>Financial ratios (%)</b>					
Operating margin	5,6	0,6	-1,3	4,2	9,7
Return on capital employed	2,2	0,2	-0,6	2,1	5,1
Solvency ratio excl. subordinated loan capital	46,0	46,7	56,7	60,4	60,6
Solvency ratio incl. subordinated loan capital	54,2	55,4	67,2	71,0	71,6
Return on equity	3,1	-0,2	-4,2	3,3	6,6
<b>Other financial ratios</b>					
Gearing	4,4	5,2	2,3	-0,4	-0,4
Interest cover ratio	8,4	10,3	5,4	8,5	14,0

	PARENT COMPANY				
	2022	2021	2020	2019	2018
Revenue	960,6	884,3	957,2	937,3	957,8
Operating profit	53,7	5,5	-11,9	39,9	93,5
Net financials	-11,0	-4,1	-63,1	-3,2	-3,0
<b>Profit (loss) for the year</b>	<b>32,8</b>	<b>1,1</b>	<b>-70,5</b>	<b>31,5</b>	<b>67,8</b>
Fixed assets	1.124,5	1.142,5	1.174,8	1.271,5	1.266,5
Current assets	1.283,8	1.154,4	713,8	603,1	549,0
Balance sheet total	2.408,2	2.296,9	1.888,7	1.874,6	1.815,5
Interest-bearing debt	940,0	829,7	431,1	200,0	200,0
- of which subordinated loan capital	200,0	200,0	200,0	200,0	200,0
Equity	1.093,0	1.060,3	1.059,1	1.129,6	1.098,1
Cash flows from.					
- operating activities	4,9	-286,8	-297,0	147,3	163,6
- investing activities	-100,7	-82,4	76,5	-162,3	-222,9
- financing activities	75,1	398,8	175,0	-	-
The year's investments in property, plant & equipment	-81,4	-60,1	-47,6	-73,5	-93,1
Net increase (decrease) in cash & cash equivalents	-20,7	29,5	-45,4	-15,0	-59,2
Cash and cash equivalents at 31 December	18,7	39,4	9,9	55,3	70,3
<b>Average number of employees</b>	603	613	627	630	631
Operating margin	5,6	0,6	-1,2	4,3	9,8
Return on capital employed	2,2	0,2	-0,6	2,1	5,2
Solvency ratio excl. subordinated loan capital	45,4	46,2	56,1	60,3	60,5
Solvency ratio incl. subordinated loan capital	53,7	54,9	66,7	70,9	71,5
Return on equity	3,0	0,1	-6,4	2,8	6,4
Gearing	4,4	5,2	2,3	-0,4	-0,4
Interest cover ratio	8,7	10,9	5,8	8,9	14,6

Key figures and financial ratios are defined and calculated in accordance with the guidelines of CFA Society Denmark.

**Operating margin:**  

$$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$$

**Return on capital employed:**  

$$\frac{\text{Operating profit} \times 100}{\text{Total assets}}$$

**Solvency ratio:**  

$$\frac{\text{Equity at year end} \times 100}{\text{Total assets}}$$

**Return on equity:**  

$$\frac{\text{Profit for the year} \times 100}{\text{Average equity}}$$

**Gearing:**  

$$\frac{\text{Net interest-bearing debt (excl. subordinated loan capital)}}{\text{EBITDA (operating profit + depreciation, amortisation and impairment losses)}}$$

**Interest cover ratio:**  

$$\frac{\text{EBITDA} + \text{Interest income}}{\text{Interest expense}}$$

Operating and financial review

Naviair presents an annual report for both the group and the parent company. As a general rule, in the annual report we only comment on the group’s accounting figures. The main difference between the group and the parent company is that investments in associates are recognised at cost in the parent company and using the equity method in the group.

Profit for the year

The result for the year was a profit of DKK 34.5 million compared to a loss of DKK 2.2 million in 2021.

The result for the year was impacted by a higher traffic level than in 2021 and higher unit rates. The result and income for the year benefited from the adjustment of over-/under-recovery of taxes of DKK 127.4 million.

The result is considered to be satisfactory.

Unit rates

The en route unit rate for Danish airspace was DKK 473.90 per service unit in 2022. Naviair’s share of the unit rate was DKK 400.15 per service unit. The remaining part of the unit rate goes to the Danish Civil Aviation and Railway Authority and DMI.

For departure and arrival charges for Copenhagen Airports, the unit rate was DKK 1,212.87 per service unit. Naviair’s share of the unit rate was DKK 1,202.38 per service unit. The remaining part of the unit rate goes to DMI.

Traffic

In 2022, controlled operations in Danish airspace increased by 68.2 percent to 504,639 compared to 300,105 in 2021, or equivalent to 75.4 percent of 2019 (669,375). Expressed in service units, there was an increase of 63.6 percent in 2022 compared to 2021.

The number of departures and arrivals at Copenhagen Airport was 202,210 in 2022 compared to 109,870 in 2021, or equivalent to 76.8 per cent of 2019 (263,434).

The number of service units in TNC Copenhagen increased by 80.1 percent in 2022 compared to 2021.

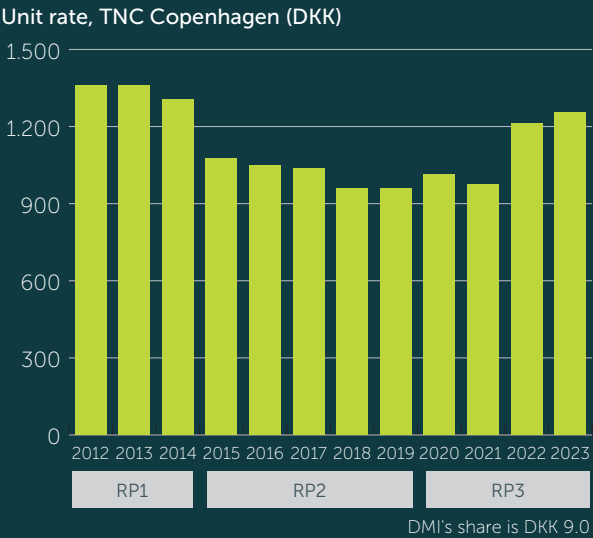
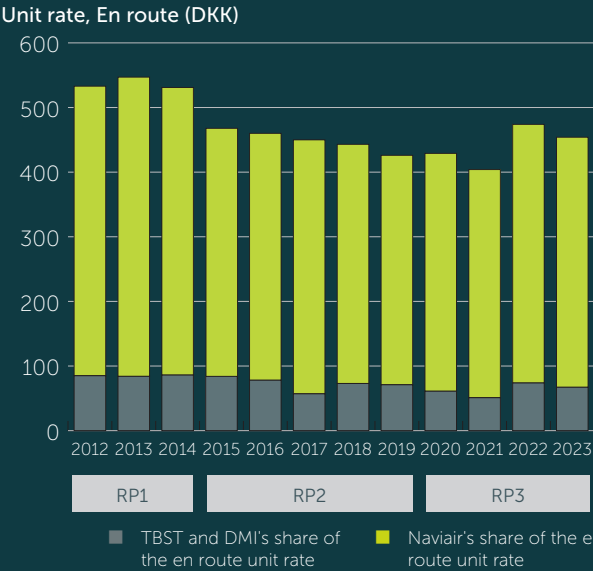
The number of departures and arrivals at Billund Airport in 2022 increased by 92.8 per cent to 39,439 operations compared to 20,456 operations in 2021, or equivalent to 85.5 per cent compared to 2019 (46,120).

Domestic air travel expressed in terms of number of operations was still below the 2019 level due to the COVID-19 pandemic, increasing by 23.0 percent from 2021 to 2022, equivalent to 87.9 per cent of 2019.

The average en route delay in Danish airspace, for which Naviair is responsible, was 0.0015 minutes per operation, equivalent to 762 minutes’ delay. The maximum accepted average delay is 0.06 minutes per operation, equivalent to 30,278 minutes.

The high efficiency was also maintained at Copenhagen Airport, where, again in 2022, air traffic was managed without any delays for which Naviair was jointly responsible. Delays due to work activities on the runway totalled 0.02 minutes per arrival at Copenhagen Airport, equivalent to 1,567 minutes. The maximum accepted average delay is 0.10 minutes per arrival, equivalent to 10,114 minutes.

Naviair is measured on how far out of its way an aircraft flies in relation to the direct route. As Free Route Airspace was implemented in Danish airspace back in 2011, Naviair manages air traffic so that 98.77 percent of all flights take the most direct route with no detours. The target that 98.86 percent of all flights take the most direct route with no detours has therefore not been met.

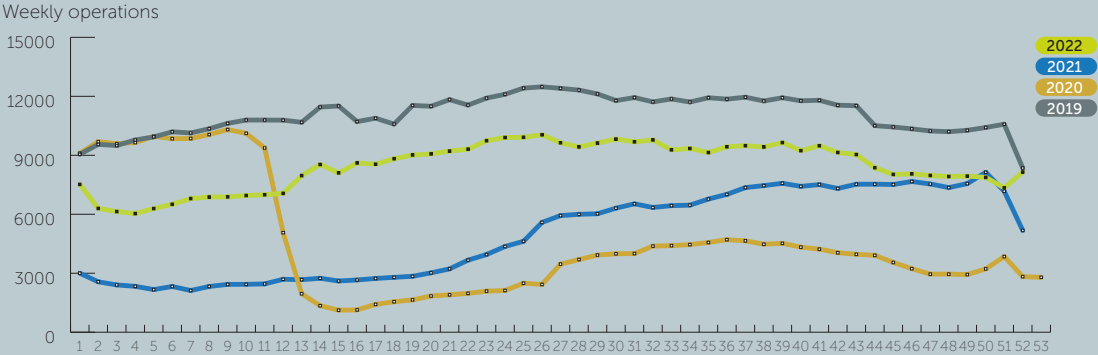




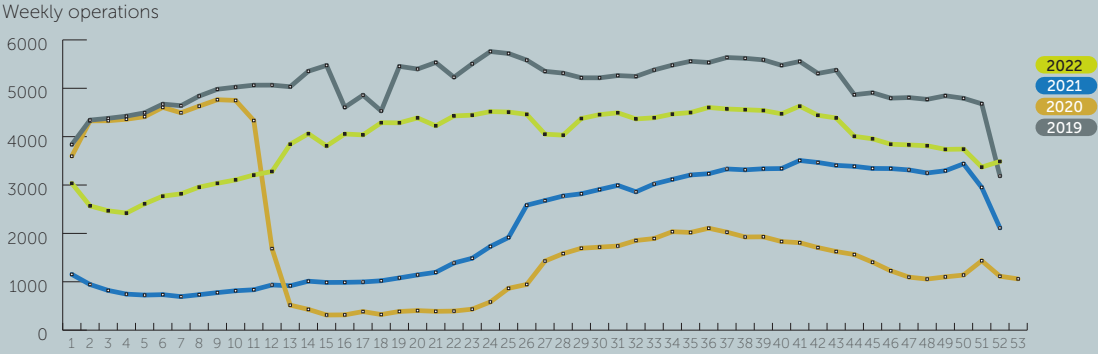
98.77%

Naviair handled traffic so that 98.77% of all aircraft flew the most direct route through Danish airspace.

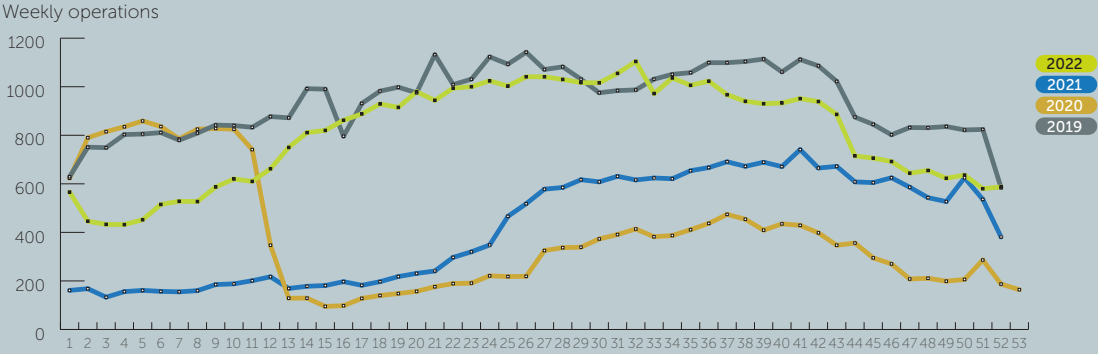
En route (ACC) – Operations controlled by ATCC



Copenhagen, Kastrup – Operations controlled by the tower in Copenhagen

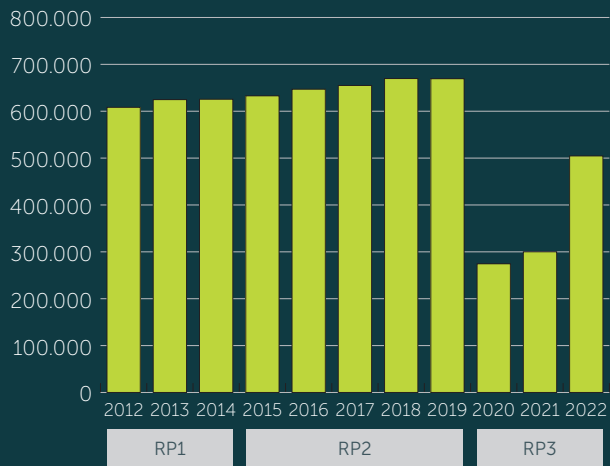


Billund – Operations controlled by the tower in Billund



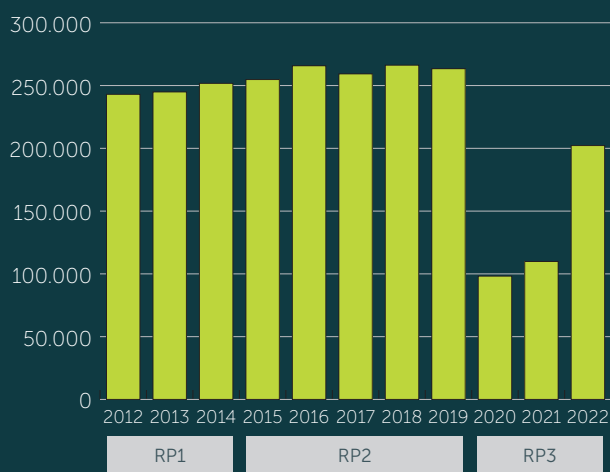
Operations, En route

En route operations, Danish airspace



Operations, TNC Copenhagen

Departures and arrivals, Copenhagen Airport



### Operating income from ordinary activities

Revenue, consisting of income from our areas of activity, was DKK 960.5 million in 2022 compared to DKK 884.3 million in 2021. The rise in revenue was due to higher income levels from En route and TNC Copenhagen, countered however by a fall in the adjustment of over-/under-recovery charges of DKK 271.0 million as a result of the COVID-19 pandemic and the resulting low level of traffic. In 2022, this item amounted to DKK 127.4 million, also as a result of a low level of traffic.

As the rules stand, under-recovery was recognised as income in 2022, even though Naviair can only begin to collect the amount from airlines in the form of higher unit rates in later years.

### Other external expenses

Other external expenses amounted to DKK 216.2 million in 2022 compared to DKK 204.0 million in 2021.

### Staff costs

Staff costs were DKK 606.4 million in 2022 compared to DKK 593.6 million in 2021. Total staff costs thus increased by DKK 12.9 million.

The number of employees averaged 603 in 2022, compared to 613 in 2021. At the end of 2022, Naviair had 613 employees.

### Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses were DKK 109.4 million in 2022 compared to DKK 107.6 million in 2021. Investments in intangible assets and property, plant and equipment were DKK 100.7 million in 2022, DKK 18.3 million more than in 2021.

### Balance sheet

Naviair's balance sheet total stood at DKK 2,425.7 million at 31 December 2022 compared to DKK 2,316.5 million at 31 December 2021. The increase mainly reflected an increase in under-recoveries of DKK 127.4 million in total.

Naviair's equity at 31 December 2022 stood at DKK 1,114.9 million, made up of contributed capital of DKK 600 million, retained earnings of DKK 482.1 million and a reserve for net revaluation according to the equity method of DKK 32.8 million.

At 31 December 2022, there was an outstanding debt of DKK 200 million on the subordinated loan that Naviair was granted at the time of its establishment as a company owned by the Danish state in 2010. The subordinated loan was provided on terms that mean that the loan can be accounted for as equity or capital ranking as equity at any time.

At 31 December 2022, Naviair's debt to credit institutions was DKK 682.9 million, compared to DKK 573.8 million in 2021. The debt has arisen as a result of the COVID-19 pandemic.

Cash flows from operations for the year were an inflow of DKK 4.6 million. There was a DKK 21.0 million decrease in cash. The loan facility of DKK 1.4 billion in total will ensure sufficient liquidity to maintain operations in 2023.

The solvency ratio including subordinated loan capital was 54.2 percent.

# 92.8%

The number of departures and arrivals at Billund Airport increased from 20,456 in 2021 to 39,439 in 2022, or equivalent to an increase of 92.8%.





### The parent company's profit by cost base

The two largest cost bases, En route – Denmark and TNC Copenhagen, are regulated by European Commission Regulation No 2019/317 of 11 February 2019 on the establishment of a performance and charging scheme for the joint European air space. Under this regulation, Naviar is under obligation to break down its income and costs by cost base. Costs are broken down by direct allocation to cost bases, partly through time recording on tasks or using sharing keys.

COST BASE ACCOUNTING 2022 (DKK 1,000)	En route Denmark	En route Domestic Greenland	En route North Atlantic	TNC Copenhagen	Other	Total
<b>Net sales incl. adjustment of over-/under-recovery</b>	<b>633,991</b>	<b>25,171</b>	<b>27,830</b>	<b>188,387</b>	<b>85,173</b>	<b>960,552</b>
Other external costs	-130,423	-19,163	-15,732	-34,941	-15,690	-215,949
Staff costs less work performed for own account and capitalised	-383,406	-9,882	-8,542	-116,261	-63,428	-581,519
<b>EBITDA</b>	<b>120,162</b>	<b>-3,874</b>	<b>3,556</b>	<b>37,185</b>	<b>6,055</b>	<b>163,084</b>
Depreciation, amortisation and impairment losses	-84,751	-2,474	-5,254	-15,142	-1,796	-109,417
<b>EBIT</b>	<b>35,411</b>	<b>-6,348</b>	<b>-1,698</b>	<b>22,043</b>	<b>4,259</b>	<b>53,667</b>
Financial items	-8,540	-168	-346	-1,578	-410	-11,042
<b>Profit (loss) before tax</b>	<b>26,871</b>	<b>-6,516</b>	<b>-2,044</b>	<b>20,465</b>	<b>3,849</b>	<b>42,625</b>



### The performance scheme

Naviair has been subject to the European performance scheme since 2012. The performance scheme is the result of the Single European Sky legislation through which the EU aims to ensure both more efficient utilisation of European airspace and sufficient airspace capacity to accommodate the growing level of air traffic. Another objective is to cut CO<sub>2</sub> emissions and the costs of air navigation services.

The performance scheme is legally binding on EU Member States. Denmark – and thus Naviair – is measured on its performance.

### Customers

At Naviair, we maintain an ongoing dialogue with our customers and familiarise ourselves with their needs and expectations so that we can offer the best possible service. We hold customer meetings with airports, airlines and the Danish Defence, partly in order to ensure satisfaction with the operational cooperation and our service.

In 2022, our largest five en route customers were:

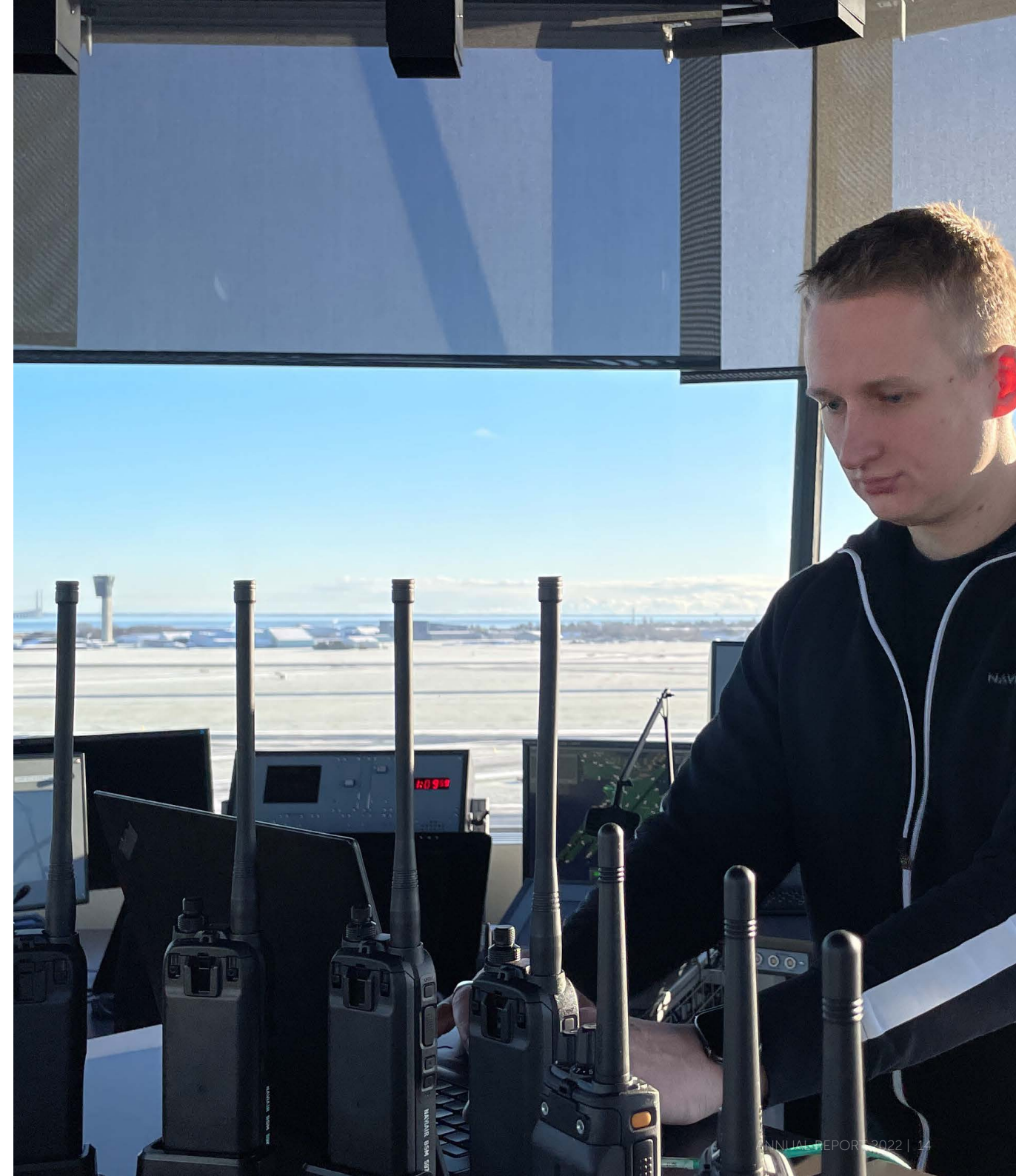
- SAS
- Norwegian
- Ryanair
- KLM
- Lufthansa

In 2022, our five largest aerodrome control service customers at Copenhagen Airport were:

- SAS
- Norwegian
- Ryanair
- EAT Leipzig GMBH
- Lufthansa

From Copenhagen, we provide Aeronautical Information Service (AIS) comprising Aeronautical Information Publications (AIPs) for Denmark, Greenland and the Faroe Islands. We publish AIPs for all three areas as well as a Visual Flight Guide (VFG) for Denmark.

We also publish Aeronautical Information Circulars (AICs), Supplements and Notices To Airmen (NOTAMs). Approximately 1,400 customers subscribe to newsletters about our publications.





International partnerships

In the nature of things, aviation and ATM require good collaboration across national borders. Good international cooperation is a prerequisite for being able to find the best solutions and fulfilling our responsibility to ensure optimum mobility in and access to Danish airspace. We therefore give high priority to our international relationships and participate in a number of international alliances.

These international alliances enable us to influence international development in our part of the aviation industry and help to promote efficiency, harmonisation and development in all areas of ATM. Together with our partners we lead European efforts in a number of fields to ensure international progress in the operational, technical and training areas. These efforts underpin our goal of always being among the best-performing ANSPs and meeting the requirements of the EU Single European Sky programme.

COOPANS

COOPANS is an international collaboration between Naviair, Irish Aviation Authority, LFV, Austro Control, Croatia Control and NAV Portugal. The COOPANS partners work jointly on standardising and harmonising the technical equipment used for ATM, and ATM systems in their control centres have been fully harmonised since 2015.

The COOPANS cooperation includes a common approach to and participation in the Single European Sky ATM Research programme (SESAR). Its objective is to modernise European ATM. This means that SESAR is the technological approach to testing and finding solutions that can achieve the Single European Sky (SES) targets. The programme is managed by SESAR Joint Undertaking and has been running since the approval of the first version of the European ATM Master Plan in 2009.

Aireon

Aireon is a US LLC. Its business strategy is based on the sale of satellite-based air traffic surveillance data, mainly to ANSPs but also to others, including airlines and flight handling companies.

The extremely precise surveillance data mean that use of the airspace over oceans and remote areas can be optimised and that air traffic can be managed far more efficiently than before. This, in turn, will mean considerable fuel savings for airlines, resulting in significant environmental benefits in the form of reduced emissions from aircraft and increased airspace capacity. In addition, the Aireon system will contribute to improvements in the safety area, as, in the future, aircraft will be far less likely to vanish without a trace.

Naviair is one of the partners in Aireon, with a 4.13 percent ownership interest. The other investors are the US telecommunications company Iridium Satellite LLC (39.52%) and the ANSPs NAV Canada (35.01%), Italian ENAV (8.61%), the Irish Aviation Authority (4.13%) and UK NATS (8.61%).

Cooperation on joint Danish-Swedish airspace

Since 2009, we have been working with Swedish LFV on en route traffic in the joint Danish-Swedish airspace. The benefits of this cooperation include considerable savings resulting from taking out joint insurance.

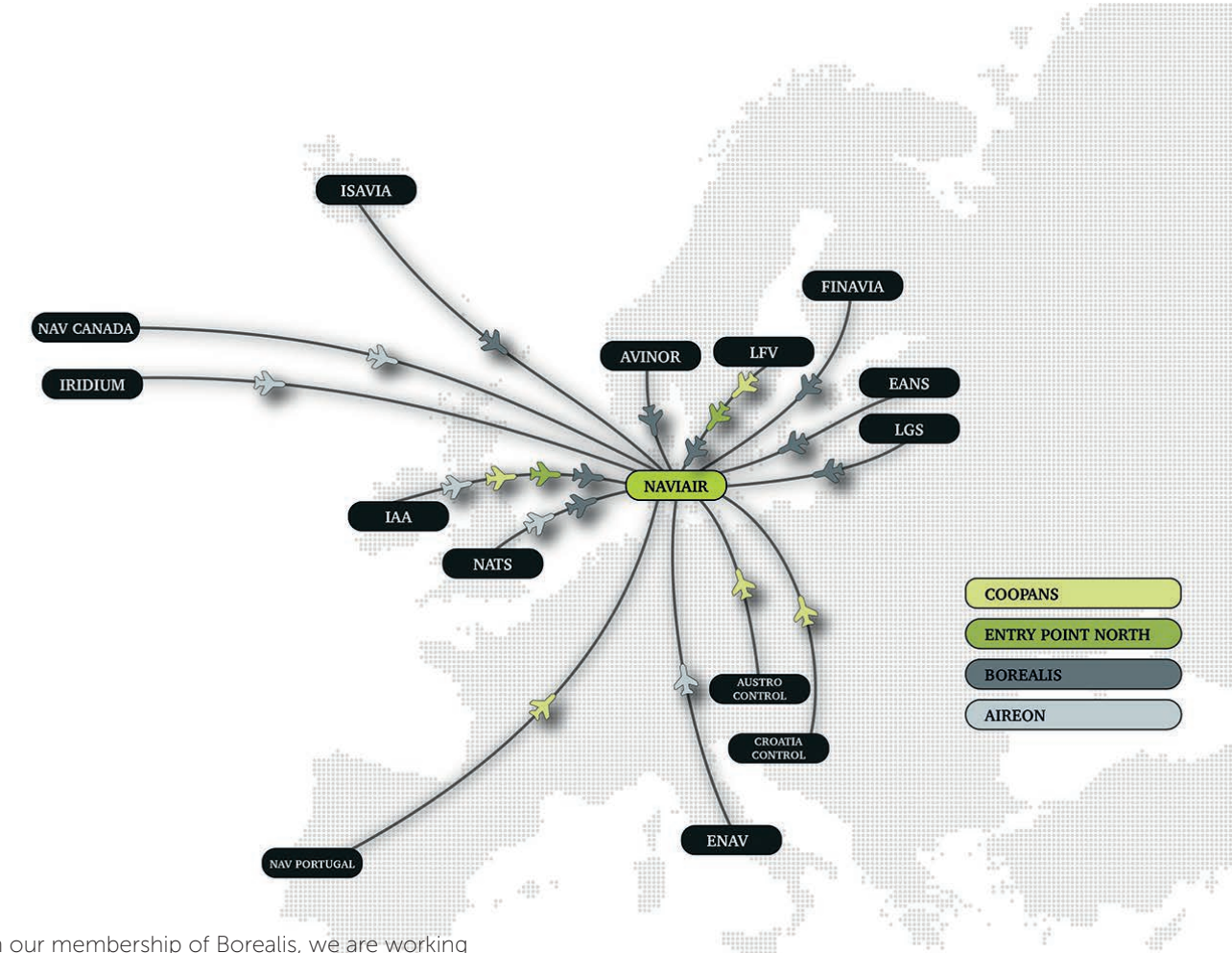
Borealis

Through our membership of Borealis, we are working together with eight ANSPs in Northern Europe to extend FRA across Northern Europe.

Together with LFV, we introduced Free Route Airspace (FRA) back in 2011, enabling airlines to freely plan their flights through the Danish-Swedish airspace.

FRA makes it easier for airlines to optimise their flight paths by planning the shortest, most fuel-efficient flight times.

As well as FRA, Borealis focuses on other environmental measures that will benefit aviation and society as a whole. In addition to operationally focused projects,



Borealis can also start up smaller projects of interest to two or more parties and these are currently centred on the implementation of the new joint European rules for cybersecurity and the use of drones in the airspace.

Entry Point North

The Air Traffic Service academy, Entry Point North, was established in 2006, offering ATM training and courses.

Entry Point North is jointly owned by Naviair, the Irish Aviation Authority and LFV. The academy provides tailored training courses to ANSPs in more than 20 countries.



### Corporate social responsibility report

The statutory corporate social responsibility report and the report on the gender composition of governance bodies, in accordance with sections 99(a) and (b) of the Danish Financial Statements Act, are included in Naviair's separate Sustainability Report 2022. In it, we report on how we worked on our non-financial business goals in 2022 and how we performed during the year. For an in-depth, quantified description of our performance in 2022, reference is therefore made to the report. Learn more at [www.naviair.dk/ar](http://www.naviair.dk/ar).

Naviair does not have an independent policy to increase diversity in terms of age and educational and professional skills in the company's management. To date, Naviair has not found it necessary to have an independent policy to increase diversity in terms of age and educational and professional skills in the company's management. However, Naviair will start preparations for such a policy in 2023, since the company is undergoing a generational shift and diversity is now a natural part of the picture. Not only that, we are working in various ways on diversity initiatives for our employees in the organisation, using Naviair's Personnel and Training Policy and our recruitment practices, etc. as our foundation. Naviair also operates within a highly specialised technical and operational environment. Therefore, training and certification in the special competencies needed is managed through Naviair's internal training courses in order to maintain flight safety in Danish, Faroese and Greenlandic airspace.

Regarding the gender composition of management, Naviair is pursuing a policy to increase the proportion of the underrepresented gender among Naviair's management groups, refer to Section 99 b of the Danish Financial Statements Act. Naviair has set targets and identified concrete measures in accordance with the policy, which is set out in Naviair's sustainability report.

### Follow-up on critical opinion

The audit identified a significant breach in the conclusion of agreements on voluntary resignations in Naviair in 2020, which gave rise to a critical opinion from the auditor. Naviair acknowledges the breach. As a follow-up to this, in December 2022, Naviair's Board of Directors approved a guideline to ensure compliance with the government circular, "Circular on voluntary resignation agreements", going forward.

### Data ethics policy

In autumn 2022, Naviair began drafting a data ethics policy. The policy is expected to be ready in 2023. Since the majority of the data Naviair uses is operational and subject to detailed EU requirements that help to ensure ethically correct data handling, Naviair's has considered there has been no need for a data ethics policy up to now. Other data, including personal data primarily relating to internal employees, is handled in accordance with the data protection rules and operationalised by internal guidelines.

### Corporate governance

The framework for Naviair's activities is set out in the Danish Act on Naviair. With our status as a company owned by the state, Naviair is ultimately subject to the authority of the Danish state represented by the Danish Ministry of Transport, within the framework established by law.

We plan our corporate governance so that it is adapted both to legislation and the nature of our company. Naviair is also subject to the Danish Companies Act, the Financial Statements Act and other legislation with the relevant adjustments applicable to Naviair. Naviair is also governed by the Danish Access to Public Administrative Documents Act and the Public Administration Act.



We comply with the Danish state's recommendations on corporate governance, where relevant for a company with our activities. The recommendations comprise guidelines on the management of state-owned enterprises, including requirements, expectations and recommendations on corporate governance. A compilation of the recommendations can be found on the website of the Danish Ministry of Finance, [www.fm.dk](http://www.fm.dk).

Furthermore, we follow the recommendations of the Committee on Corporate Governance that are relevant to Naviair, as described at [www.corporategovernance.dk](http://www.corporategovernance.dk).

Naviair has established a whistleblowing system, which enables all employees, suppliers and customers to raise concerns about breaches or suspected breaches of legislation or Naviair's internal regulations. An external law firm screens all reports made to the system. Learn more about Naviair's whistleblowing system at [www.naviair.dk](http://www.naviair.dk), including use of the system and statistics for the past year's reports.

The Board of Directors takes care of Naviair's overall and strategic management and supervises the Executive Board.

The general duties and responsibilities of the Board of Directors are set out in rules of procedure for the Board of Directors.

The Executive Board is responsible for the day-to-day management of Naviair and must therefore comply with the guidelines and instructions provided by the Board of Directors.

The Board of Directors has eight members, five of whom were appointed by the Danish Minister of Transport – including three women and two men. The other three members – three men – were elected by the employees. The members of the Board of Directors collectively possess general business and leadership skills as well as

insight into aviation and society in general. An annual self-assessment procedure has been established for the Board of Directors. The Board of Directors' latest self-evaluation was in December 2022.

The Board of Directors meets at least once a quarter, in accordance with Naviair's Articles of Association. The Board held seven meetings in the past year.

The chairmanship of the Board of Directors meets with the Danish Minister of Transport every quarter and at these meetings gives an extensive, detailed report on the company's strategic situation, follow-up on the company's operating results, etc.

Accounting and control systems are designed to ensure that internal and external financial reporting give a true and fair view without material misstatement and that appropriate accounting policies are defined and applied.

The Board of Directors and the Executive Board regularly review material risks and internal controls related to Naviair's activities and their potential impact on the financial reporting process.

The responsibility for maintaining adequate and effective internal controls and risk management in connection with the financial reporting lies with the Executive Board. The Executive Board monitors the financial position, partly via monthly reporting. Furthermore, the Executive Board reports on the company's financial position to the Board of Directors ahead of each meeting of the Board of Directors. Procedures, accounting instructions etc. are described in Naviair's Financial Reporting Manual.

The Board of Directors monitors the financial reporting process, including that applicable laws are being complied with and that the accounting policies are relevant. The Board has an Internal Audit Committee with two members.





Special risks

We regularly assess the risks to which our company may be exposed. In order for a risk to be classified as high, it must both be probable that the area will be impacted and the risk must have serious consequences if it materialises.

Air traffic

A fall in traffic represents a high financial risk for Naviair, as our main earnings are directly related to the amount of en route traffic in Danish airspace and traffic to and from the airports we serve.

A lower level of traffic in 2023 than predicted in the Eurocontrol forecast may cause Naviair to suffer a financial loss of up to a maximum of around DKK 35 million in 2023 and in 2024.

A sharp fall in traffic could also adversely impact our liquidity. In addition, a negative trend might entail the risk of a reduction in the sector’s ability to pay.

Operational

A less predictable change in air traffic and different patterns of travel constitute a risk for Naviair. Our financial flexibility is limited, as we have a relatively high proportion of fixed costs tied up in the form of specialist staff and specially developed systems. It is therefore difficult to adapt our operational capacity to sharp rises in air traffic.

The development in 2022 has shown that traffic has become less predictable not only over the course of a year, but also over the course of a day. Traffic forecasts have also become less certain and less reliable. Therefore, finding a balance between needs and available resources has become more complex. This creates uncertainty about how many operational resources are needed in the long term.

Cyber security

Naviair is subject to the circular on critical infrastructure, and we are working systematically to reduce and minimise the risk of cyber attacks.

In 2020, Naviair became ISO 27001-certified to handle cyber and information security. The validity of the certification was reconfirmed in connection with the annual follow-up audit in September 2022.

Naviair has set up a Cyber and Information Security Committee that continuously monitors the threat landscape and puts the spotlight on cyber security.

Technical systems

Naviair provides ATM using technical systems. We have protected ourselves, as far as possible, against the risk of technical failures by establishing sound back-up systems in all areas.

Insurance

Naviair has an insurance programme under which we have insured insurable risks so that any claims and actions giving rise to liability will not constitute a financial risk to our company. Besides statutory insurance, we have taken out insurance against consequential loss, product liability and special aviation liability.

Outlook for 2023

Naviair expects a financial result of around DKK 20 million.

Naviair’s debt to credit institutions of DKK 682.9 million, which arose as a result of COVID-19, is expected in 2023 to be on a par with 2022. The plan for full debt reduction in 2027/2028 remains unchanged.

It is expected that air traffic will continue to improve and that by 2023, traffic levels will increase to 80-90 per cent of the 2019 level. The traffic pattern in 2022 with a higher proportion of traffic during holiday periods and a lower proportion on weekdays is expected to continue.

Overall, this development will challenge Naviair’s ATC capacity in 2023, which is why we are currently focusing on a number of instruments to ensure even better resource planning, resource utilisation and traffic forecasting for individual days. Costs for the additional work are expected to be high in the coming period, so as to reduce the risk of significant delays caused by Naviair. The recruitment and training of new air traffic controllers will continue in 2023 as part of the long-term COVID-19 recovery.



Net revenue 2022

- En route – Denmark  
TNC Copenhagen
- En route – Domestic Greenland
- En route – North Atlantic
- Other



# Naviair's management

## Board of Directors

**Anne Birgitte Lundholt (Chairman)**

Director of ABL ApS. Chairman of the Board of Directors of Lundgreen's Capital ApS. Member of the Board of Directors of Svaneke Bryghus A/S

**Per Møller Jensen (Deputy Chairman)**

CEO of Stjernegaard Rejser A/S

**Esben Jean-Pierre Blum**

Senior ATCO  
Board member elected by the employees

**Flemming Kim Hansen**

Senior Engineer, ATM Support Systems  
Board member elected by the employees

**Peter Labusz**

ATCO  
Board member elected by the employees

**Jørgen Martin Meyer**

Lawyer, former Commissioner of South Jutland Police.  
Member of the Board of Dronning Louise Stiftelsen.

**Birthe Høegh Rask**

Member of the Board of Andelsforeningen Antico Frantoio d'Oro  
Chairman of the Board of Directors' Audit Committee.

**Christina Rasmussen**

Member of the Board of Directors' Audit Committee.

## Management

**Claus Flyng Baunkjær**

CEO

**Mads Kvist Eriksen**

CFO

## Other senior executives

**Thorsten Elkjær**

COO

**Morten Søndergaard**

CTO

**Pernille Juel Sefort**

CHRO







# Statement by the Executive Board and the Board of Directors

The Board of Directors and the Executive Board have today discussed and approved the annual report of Naviair for 2022.

The annual report is presented in accordance with the Danish Financial Statements Act (reporting class D) and the Danish Act on Naviair.

We consider the accounting policies applied to be appropriate and, in our opinion, the financial statements give a true and fair view of the company's financial position and of the results of the company's operations and cash flows.

In our opinion, the Management's review gives a fair review of the development in the company's and the group's operations and financial matters, the results for the year, the company's financial position, the financial position as a whole of the entities included in the consolidated financial statements as well as a description of the significant risks and uncertainty factors pertaining to the company and the group.

We recommend that the annual report be approved.

Copenhagen, 2 March 2023

## On the Executive Board

Claus Flyng Baunkjær, CEO

Mads Kvist Eriksen, CFO

## On the Board of Directors

Anne Birgitte Lundholt, Chairman

Per Møller Jensen, Deputy Chairman

Esben Jean-Pierre Blum \*

Flemming Kim Hansen \*

Peter Labusz \*

Jørgen Martin Meyer

Birthe Høegh Rask \*\*

Christina Rasmussen \*\*\*

*\*) Board member elected by the employees*

*\*\*) Chairman of the Board of Directors' Audit Committee*

*\*\*\*) Member of the Board of Directors' Audit Committee*



# Independent auditors' report

To the Danish Minister of Transport and the Board of Directors of Naviair

## Report on the consolidated financial statements and the parent company financial statements

### Opinion

We have audited the consolidated financial statements and the parent company financial statements of Naviair, a company owned by the Danish state, for the financial year 1 January – 31 December 2022 comprising income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including accounting policies. The consolidated financial statements and the parent company financial statements are presented in accordance with the Danish Financial Statements Act and the Danish Act on Naviair. In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the group's and Naviair's financial position at 31 December 2022 and of the results of the group's and Naviair's operations and cash flows for the financial year 1 January – 31 December 2022 in accordance with the Danish Financial Statements Act and the Danish Act on Naviair.

### Basis of opinion

We have conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark as well as good public auditing practice as the audit is performed on the basis of the provisions of the Danish Act on Naviair. Our responsibilities under these standards and requirements are described in detail in the "Auditor's responsibility for the audit of the consolidated financial statements and parent company financial statements" section of the auditors' report. The Auditor General is independent of

Naviair pursuant to Section 1(6) of the Danish Auditor General Act and the approved auditor is independent of Naviair pursuant to international ethics standards for accountants (IESBA code of ethics) and the additional requirements applicable in Denmark. We have fulfilled our other ethical responsibilities in accordance with these provisions and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Statement on Management's review

Management is responsible for the Management's review. Our opinion on the consolidated financial statements and the parent company financial statements does not include the Management's review, and we do not express any assurance conclusion thereon. In connection with our audit of the consolidated financial statements and the parent company financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the consolidated financial statements and the parent company financial statements, or our knowledge obtained during the audit, or otherwise appears to be materially misstated. Moreover, it is our responsibility to consider whether the Management's review provides the information required under the provisions of the Danish Financial Statements Act. Based on the work performed, it is our opinion that the Management's review is in accordance with the consolidated financial statements and the parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatements of the Management's review.

## Management's responsibility for the consolidated financial statements and the parent company financial statements

Management is responsible for the preparation and fair presentation of consolidated financial statements and parent company financial statements in accordance with the Danish Financial Statements Act and the Danish Act on Naviair. Management is also responsible for the internal control that management deems necessary for the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing Naviair's ability to continue as a going concern; for disclosing, as applicable, matters related to going concern; and for preparing consolidated financial statements and parent company financial statements on a going concern basis, unless Management either intends to liquidate Naviair or to cease operations, or has no realistic alternative but to do so.

## Auditor's responsibility for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing



and the additional requirements applicable in Denmark as well as good public auditing practice, see the Danish Act on Naviair, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users of accounting information taken on the basis of these financial statements. As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark as well as good public auditing practice, see the Danish Act on Naviair, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Naviair's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and

the parent company financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Naviair's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Naviair to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent company financial statements, including the note disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on other legal and regulatory requirements

### Statement on compliance audit and performance audit

Management is responsible for ensuring that the transactions comprised by the financial reporting comply with appropriations granted, legislation and other regulations as well as agreements concluded and normal practice; and that sound financial considerations have been applied in the management of the funds and the operation of the enterprises comprised by the financial statements. In that connection, Management is responsible for establishing systems and processes that support cost-effectiveness, productivity and efficiency.

In connection with our audit of the financial statements, it is our responsibility, in accordance with good public auditing practice, to select relevant subject matter for the compliance audit and the performance audit. In a compliance audit, we test the selected subject matter to obtain reasonable assurance as to whether the transactions comprised by the financial reporting comply with appropriations granted, legislation and other regulations as well as agreements concluded and normal practice. In a performance audit, we make an assessment to obtain reasonable assurance as to whether the systems, processes or transactions examined support sound financial considerations in the management of the funds and the operation of the enterprises comprised by the financial statements. If, based on the work performed, we conclude that material critical comments should be made, we are required to report this.



We must therefore draw attention to the following:

For the financial year 2022, we performed a compliance audit (SOR 6b) of Naviair's payroll and employment transactions. The purpose of the compliance audit is to obtain reasonable assurance that there are no material breaches of regulations in Naviair's payroll and employment transactions. We examined whether Naviair's payroll and employment-related transactions concerning risky payments, focusing on fixed salaries for directors and employees entitled to civil servant pensions as well as variable services in the form of extra shifts, standby duty at home and severance pay, comply, in all material respects, with the rules laid down in law and other regulations, as well as with agreements we have entered into and customary practice.

Our compliance audit for 2022 showed that there are material breaches of regulations in Naviair's payroll and employment transactions in one of the areas examined. The audit revealed that, in connection with personnel adjustments in 2020, Naviair entered into 77 agreements on voluntary resignation based on the circular on the agreement on seniority and resignation schemes from 2011. The audit covered 61 agreements with employees who are entitled to a civil servant pension.

We can verify that in all 61 cases, 13 months of paid leave and a severance payment of 6 months' salary, or equivalent severance terms, were agreed. This is contrary to Section 14(1) of the circular, which states that only a severance amount of up to 6 months' salary can be agreed. Naviair has thus not complied with applicable rules in this area.

The consequence is that, overall, payroll and employment-related transactions in the areas examined do not, in all material respects, comply with the rules laid down in law and other regulations, as well as with agreements we have entered into and customary practice.

Copenhagen, 2 March 2023

**PricewaterhouseCoopers**

State Authorised Accountancy Firm  
CVR no: 33771231

**Jesper Møller Langvad**

State Authorised Public Accountant  
MNE no.: mne21328

**National Audit Office**

CVR no: 77806113

**Birgitte Hansen**

Auditor General

**Søren Vadskjær Skyum**

Office Manager

# Accounting policies

The 2022 annual report of Naviair, a company owned by the Danish state, is presented in accordance with the provisions of the Danish Financial Statements Act for reporting class D and the Danish Act on Naviair.

The accounting policies are unchanged from those used in the previous financial year.

Unless otherwise stated below, the accounting policies for the parent company and the group are identical.

## Recognition and measurement in general

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company as a result of a past event and the asset has a value that can be measured reliably.

Liabilities are recognised in the balance sheet when the company has a legal or constructive obligation as a result of a past event, the settlement of which is expected to result in an outflow from the company of resources embodying future economic benefits and the liability has a value that can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Subsequent to initial measurement, assets and liabilities are recognised as described for each item below.

On recognition and measurement, account is taken of foreseeable risks and losses arising before the time at which the annual report is presented that confirm or disprove circumstances existing at the balance sheet date.

Income is recognised in the income statement as earned, and expenses are recognised at the amounts that relate to the financial year.

## Foreign currency translation

The measurement currency used is Danish kroner (DKK). All other currencies are accounted for as foreign currencies.

On initial recognition, transactions in foreign currencies are translated at the exchange rate at the transaction date. Receivables, liabilities other than provisions and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rate at the balance sheet date. Any differences arising between the exchange rate at the transaction date and the exchange rates at the payment and balance sheet dates respectively are recognised in the income statement as net financials. Items of property, plant and equipment and intangible assets, inventories and other non-monetary assets purchased in foreign currencies are translated using historical rates.

## Consolidated financial statements

The consolidated financial statements comprise the parent company and the subsidiary (Naviair Surveillance A/S), which is controlled by the parent company. The parent company is considered to control an enterprise when it holds, directly or indirectly, more than 50 per cent of the voting rights or is able to control or actually controls the enterprise in some other way. Enterprises in which the group holds, directly or indirectly, between 20 and 50 per cent of the voting rights and over which it has significant influence, but not control, are accounted for as associates, including Entry Point North AB.

## Basis of consolidation

The consolidated financial statements are prepared on the basis of the financial statements of the parent company and its subsidiaries. On preparation of the consolidated financial statements, identical items are aggregated,

and intragroup income and expenses, balances and dividends are eliminated. Gains and losses arising from transactions between the consolidated enterprises are also eliminated. The financial statements used in the preparation of the consolidated financial statements are prepared in accordance with the group's accounting policies.

Subsidiaries' items are fully consolidated in the consolidated financial statements.

## Income statement

### Revenue

Revenue related to air traffic control is recognised in the income statement in the period in which the flights have taken place. Other income is recognised when delivery to the buyer has been made. Income related to the award of government grants for operating projects is recognised in the income statement as the associated costs are recognised.

The adjustment for the year of over-/under-recoveries from en route and terminal activities is recognised as revenue.

Regulatory over-/under-recoveries are recognised in the balance sheet as provisions or receivables, respectively

Revenue is recognised net of VAT, duties and trade discounts and is measured at the fair value of the agreed consideration.

## Work performed for own account and capitalised

Work performed for own account and capitalised comprises staff costs and other internal expenses incurred during the financial year and recognised in the cost of self-constructed intangible assets and property, plant and equipment.



### Other operating income

Other operating income comprises income of a secondary nature in relation to Naviair's core activity.

### Other external expenses

Other external expenses comprise expenses related to the company's core activities, including expenses for operation of operational systems and equipment, training and education, administration, premises, bad debts etc. Expenses related to projects that do not meet the criteria for recognition in the balance sheet are also recognised as other external expenses.

### Staff costs

Staff costs comprise wages and salaries, pensions and other social security costs etc. for the company's employees

### Depreciation, amortisation and impairment losses

Depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets consist of depreciation, amortisation and impairment losses for the year determined on the basis of the set residual values and useful lives of the individual assets and impairment tests carried out, respectively. Government grants for depreciable capital expenditure projects are recognised as the relevant assets are depreciated.

### Other operating expenses

Other operating expenses comprise expenses of a secondary nature in relation to Naviair's core activity.

### Income from investments in associates

#### *Parent company*

Income from investments in associates comprises dividends and similar received from the individual associates during the financial year.

#### *Group*

Income from investments in associates comprises the proportionate share of the individual associates' profits/losses after elimination of intragroup profits and losses.

### Other financial income

Finansielle indtægter omfatter renteindtægter, realiserede og urealiserede kursgevinster vedrørende værdipapirer, gældsforpligtelser og transaktioner i fremmed valuta mv. samt godtgørelser under acontoskatteordningen.

### Andre finansielle omkostninger

Financial income comprises interest income; realised and unrealised foreign exchange gains on securities, liabilities other than provisions and transactions denominated in foreign currencies etc. as well as repayments under the Danish on-account tax scheme.

### Income tax

Income tax expense, consisting of current tax for the year and changes in deferred tax, is recognised in the income statement with the portion attributable to profit for the year, and directly in equity with the portion attributable to entries directly to equity.

The company is taxed jointly with its Danish subsidiary. Current Danish income tax is allocated among the jointly taxed enterprises in proportion to their taxable income (full allocation with reimbursement in respect of tax losses).

### Balance sheet

#### Intangible assets

Intangible assets comprise IT projects in progress and completed IT projects as well as other intellectual property rights acquired.

The cost of intangible assets comprises expenses, including salaries and amortisation, that are directly or indirectly attributable to those assets.

Indirect production costs in the form of indirectly attributable staff costs and amortisation and depreciation on intangible assets and property, plant and equipment used in the process, are recognised in cost on the basis of man-hour consumption on each project. Interest expense on loans to finance the construction of intangible assets is recognised in cost if it relates to the construction period.

Intangible assets are measured at cost less accumulated amortisation. Amortisation is charged on a straight-line basis over the estimated useful lives of the assets, which are 3-20 years.

Intangible assets are written down to the recoverable amount if this is lower than the carrying amount.

### Property, plant and equipment

Land and buildings, plant and equipment, transport equipment, fixtures and fittings and IT equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Cost includes purchase price, expenses directly attributable to the acquisition and expenses attributable to bringing the asset to a working condition until the date on which the asset is ready for use. The cost of self-constructed assets includes the direct and indirect cost of materials, components, subcontractors and wages and salaries.

Indirect production costs in the form of indirectly attributable staff costs and amortisation and depreciation

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on intangible assets and property, plant and equipment used in the construction process, are recognised in cost on the basis of man-hour consumption on each asset. Interest expense on loans to finance the construction of items of property, plant and equipment is recognised in cost if it relates to the construction period.

The basis of depreciation is the cost less the estimated residual value at the end of the asset's useful life. The residual value of these fixed assets has been estimated at nil, as they are user-specific to such an extent that it is expected that they will not have any saleable value at the end of their useful lives.

Depreciation is charged on a straight-line basis over the estimated useful lives as follows:

- Buildings and installations: 10-50 years
- Plant and machinery: 6-20 years
- Fixtures and fittings, tools and equipment: 3-8 years

The estimated useful lives of items of property, plant and equipment are broken down into significant components.

Items of property, plant and equipment are written down to the recoverable amount if this is lower than the carrying amount.

#### **Investments in group enterprises**

##### *Parent company*

Investments in group enterprises are measured at cost. Such investments are written down to the recoverable amount if this is lower than the carrying amount.

#### **Investments in associates**

##### *Parent company*

Investments in associates are measured at cost. Such investments are written down to the recoverable amount if this is lower than the carrying amount.

##### *Group*

Investments in associates are recognised and measured using the equity method. Accordingly, the investments are measured at the proportionate share of the companies' net asset values after addition or deduction of unamortised positive or negative goodwill, respectively, and after deduction or addition of unrealised, proportionate intragroup gains and losses.

In connection with the distribution of profit for the year, net revaluation of investments in associates is transferred to reserve for net revaluation according to the equity method within equity.

#### **Other securities and equity investments**

Other securities and equity investments recognised in investments are measured at fair value.

Other equity investments include an investment in an unlisted company. As the fair value of this unlisted company cannot be determined reliably, the investment has been measured at cost.

#### **Regulatory over-/under-recoveries**

For en route activities in Denmark and TNC Copenhagen, Naviair is entitled to carry forward over-/under-recoveries in accordance with the provisions under the EU regulation on performance schemes for ANSPs, including the provisions on risk-sharing relating to the development in traffic.

Regulatory over-/under-recoveries are recognised as provisions or receivables, respectively, with set-off in the income statement under revenue. The balance is the

amount which the company expects to reimburse or charge through the coming years' rates for business areas subject to regulatory price adjustments.

Over-/under-recoveries are measured at amortised cost, which normally corresponds to the nominal value. If we estimate that it is not probable that the full receivable will be recovered from users, the receivable is written down to its lower estimated value (the recoverable amount).

#### **Receivables**

Receivables are measured at amortised cost, which usually corresponds to the nominal value, less provisions for bad and doubtful debts.

#### **Prepayments**

Prepayments comprise expenses incurred that are attributable to subsequent financial years. Prepayments are measured at cost.

#### **Securities**

Securities comprise the holding of government and/or mortgage bonds, which is measured at fair value.

#### **Cash**

Cash comprises cash at bank and in hand.

#### **Deferred tax**

Deferred tax is recognised in respect of all temporary differences between the carrying amounts and the tax base of assets and liabilities. The tax base of the assets is determined on the basis of the intended use of the individual asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at the value at which the asset is expected to be realised, either by set-off against deferred tax liabilities or as net tax assets.



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#### **Other financial liabilities**

Other financial liabilities are measured at amortised cost, which normally corresponds to the nominal value. Long-term liabilities other than provisions are measured at cost on inception of the loan, equivalent to the proceeds received net of transaction costs. Mortgage loans are subsequently measured at amortised cost.

#### **Pensions and availability pay**

Naviar pays pension contributions to the Danish state in respect of civil servants and employees employed under collective agreement on special terms (former civil servants), and the Danish state has therefore taken over the pension obligations in respect of these employees. The pension obligations in respect of other employees are covered under defined contribution pension plans. Naviar is responsible for obligations pursuant to the Danish Civil Servants Act's Section 32 on availability pay. These obligations are disclosed as contingent liabilities.

#### **Income tax receivable and payable**

Current tax payable or receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for taxes paid on account.

#### **Deferred income**

Deferred income comprises invoiced income to be recognised in the income statement in subsequent financial years. Deferred income is measured at cost.

#### **Cash flow statement**

The cash flow statement is presented using the indirect method and shows cash flows from operating, investing and financing activities as well as the company's cash and cash equivalents at the beginning and at the end of the year.

Cash flows from operating activities are determined as operating profit adjusted for non-cash operating items, working capital movements and income tax paid.

Cash flows from investing activities comprise payments in connection with acquisition and disposal of companies, activities and investments as well as purchase, development, improvement and sale etc. of intangible assets and property, plant and equipment, including acquisition of assets held under finance leases.

Cash flows from financing activities comprise changes in the size or composition of the company's capital and associated costs as well as inception of loans, conclusion of finance leases, repayments on interest-bearing debt and payment of dividends.

Cash and cash equivalents comprise cash and short-term securities that are subject to an insignificant risk of changes in value and are readily convertible to cash.

The cash flow statement cannot be derived from the published accounting records alone.



1.771

June 17 was the busiest day  
in Danish airspace i 2022 with  
1.771 operations.

## Income statement

INCOME STATEMENT FOR THE YEAR ENDED 31. DECEMBER (DKK 1.000)		Group		Parent company	
		Note	2022	2021	2022
Revenue	1	960.540	884.256	960.552	884.268
Work performed for own account and capitalised	2	24.918	26.345	24.918	26.345
Other external expenses	3	-216.206	-204.026	-215.949	-203.905
Staff costs	4	-606.437	-593.580	-606.437	-593.580
Depreciation, amortisation and impairment losses	5	-109.417	-107.583	-109.417	-107.583
Operating profit		53.398	5.412	53.667	5.545
Income from investments in associates		7.350	1.929	0	0
Financial income	6	1.680	379	8.599	6.965
Financial expenses	7	-19.643	-11.034	-19.641	-11.031
Profit (loss) on ordinary activities before tax		42.785	-3.314	42.625	1.479
Income tax expense		-8.335	1.097	-9.859	-354
Profit (loss) for the year		34.450	-2.217	32.766	1.125

# Balance

ASSETS (DKK 1.000)	Note	Group		Parent company	
		31.12.2022	31.12.2021	31.12.2022	31.12.2021
Intangible rights acquired		2.576	2.090	2.576	2.090
ATM system		479.874	505.799	479.874	505.799
Intangible assets under construction		17.489	22.326	17.489	22.326
<b>Intangible assets</b>	10	<b>499.939</b>	<b>530.215</b>	<b>499.939</b>	<b>530.215</b>
Land and buildings		246.808	261.755	246.808	261.755
Plant and machinery		210.879	248.085	210.879	248.085
Fixtures and fittings, tools and equipment		10.561	7.109	10.561	7.109
Property, plant and equipment under construction		133.093	72.117	133.093	72.117
<b>Property, plant and equipment</b>	11	<b>601.341</b>	<b>589.066</b>	<b>601.341</b>	<b>589.066</b>
Investments in group enterprises		0	0	18.345	18.345
Investments in associates		37.665	32.623	4.833	4.833
Other securities and equity investments		146.377	146.377	0	0
<b>Investments</b>	12	<b>184.042</b>	<b>179.000</b>	<b>23.178</b>	<b>23.178</b>
<b>Fixed Assets</b>		<b>1.285.322</b>	<b>1.298.281</b>	<b>1.124.458</b>	<b>1.142.459</b>
Trade receivables	13	169.344	149.049	169.344	149.049
Receivables from group enterprises		0	0	143.515	136.605
Other receivables	14	100.564	101.892	100.561	101.883
Regulatory under-recoveries	15	813.974	686.557	813.974	686.557
Prepayments	16	37.674	40.931	37.674	40.931
<b>Receivables</b>		<b>1.121.556</b>	<b>978.429</b>	<b>1.265.068</b>	<b>1.115.025</b>
<b>Cash</b>		<b>18.833</b>	<b>39.813</b>	<b>18.703</b>	<b>39.406</b>
<b>Current assets</b>		<b>1.140.389</b>	<b>1.018.242</b>	<b>1.283.771</b>	<b>1.154.431</b>
<b>Assets</b>		<b>2.425.711</b>	<b>2.316.523</b>	<b>2.408.229</b>	<b>2.296.890</b>

EQUITY LIABILITIES (DKK 1.000)	Note	Group		Parent company	
		31.12.2022	31.12.2021	31.12.2022	31.12.2021
Contributed capital		600.000	600.000	600.000	600.000
Reserve for net revaluation according to the equity method		32.832	27.790	0	0
Retained earnings		482.091	454.991	493.028	460.262
<b>Equity</b>		<b>1.114.923</b>	<b>1.082.781</b>	<b>1.093.028</b>	<b>1.060.262</b>
Deferred tax	17	75.085	66.750	79.522	69.663
<b>Provisions</b>		<b>75.085</b>	<b>66.750</b>	<b>79.522</b>	<b>69.663</b>
Subordinated loan capital	18	200.000	200.000	200.000	200.000
Credit institutions		648.875	573.750	648.875	573.750
Frozen holiday pay		57.043	55.993	57.043	55.993
<b>Long-term liabilities other than provisions</b>		<b>905.918</b>	<b>829.743</b>	<b>905.918</b>	<b>829.743</b>
Credit institutions		34.056	0	34.056	0
Trade payables		54.383	51.678	54.359	51.651
Payables to associates		2.447	290	2.447	290
Other payables	19	102.153	160.025	102.153	160.025
Deferred income		136.746	125.256	136.746	125.256
<b>Short-term liabilities other than provisions</b>		<b>329.785</b>	<b>337.249</b>	<b>329.761</b>	<b>337.222</b>
<b>Liabilities other than provisions</b>		<b>1.235.703</b>	<b>1.166.992</b>	<b>1.235.679</b>	<b>1.166.965</b>
<b>Equity and liabilities</b>		<b>2.425.711</b>	<b>2.316.523</b>	<b>2.408.229</b>	<b>2.296.890</b>
Contingent liabilities	20				
Related parties and ownership	21				
Events after the reporting period	22				

## Statement of changes in equity & Cash flow statement

STATEMENT OF CHANGES IN EQUITY (DKK 1.000)	Group				Parent company		
	Contributed capita	Reserve for net revaluation according to the equity method	Retained earnings	Total	Contributed capital	Retained earnings	Total
Equity at 1 January 2022	600.000	27.790	454.991	1.082.781	600.000	460.262	1.060.262
Foreign exchange adjustment	0	-2.308	0	-2.308	0	0	0
Profit (loss) for the year	0	7.350	27.100	34.450	0	32.766	32.766
<b>Equity at 31. December 2022</b>	<b>600.000</b>	<b>32.832</b>	<b>482.091</b>	<b>1.114.923</b>	<b>600.000</b>	<b>493.028</b>	<b>1.093.028</b>

*There have been no changes to contributed capital in the past five years.*

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER (DKK 1.000)	Note	Group		Parent company	
		2022	2021	2022	2021
Operating profit (loss)		53.398	5.412	53.667	5.545
Depreciation, amortisation and impairment losses		118.743	114.835	118.743	114.835
Working capital movements	23	-149.541	-396.500	-156.454	-396.495
<b>Cash flows from operations</b>		<b>22.600</b>	<b>-276.253</b>	<b>15.956</b>	<b>-276.115</b>
Financial income received		1.680	379	8.599	375
Financial expenses paid		-19.643	-11.034	-19.641	-11.031
<b>Cash flows from operating activities</b>		<b>4.637</b>	<b>-286.908</b>	<b>4.914</b>	<b>-286.771</b>
Purchase of intangible assets		-19.321	-22.307	-19.321	-22.307
Purchase of property, plant and equipment		-81.421	-60.142	-81.421	-60.142
<b>Cash flows from investing activities</b>		<b>-100.742</b>	<b>-82.449</b>	<b>-100.742</b>	<b>-82.449</b>
Increase in mortgage debt		75.125	498.750	75.125	498.750
Repayment of debt to credit institutions		0	-100.000	0	-100.000
<b>Cash flows from (used in) financing activities</b>		<b>75.125</b>	<b>398.750</b>	<b>75.125</b>	<b>398.750</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>-20.980</b>	<b>29.393</b>	<b>-20.703</b>	<b>29.530</b>
Cash and cash equivalents at 1 January		39.813	10.420	39.406	9.876
<b>Cash and cash equivalents at 31 December</b>		<b>18.833</b>	<b>39.813</b>	<b>18.703</b>	<b>39.406</b>



# Notes

<b>1</b>	<b>Revenue</b>	<b>Group</b>		<b>Parent company</b>	
	(DKK 1.000)	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	En route – Denmark, charges	506.665	272.777	506.665	272.777
	TNC Copenhagen, charges	156.787	69.889	156.787	69.889
	Local airports	60.758	44.419	60.758	44.419
	North Atlantic	27.695	33.024	27.695	33.024
	Areas covered by the Danish Appropriations Act	41.491	31.544	41.491	31.544
	Other trade receivables	39.727	34.209	39.739	34.221
	Adjustment of over-/under-recoveries charges	127.417	398.394	127.417	398.394
		<b>960.540</b>	<b>884.256</b>	<b>960.552</b>	<b>884.268</b>

<b>2</b>	<b>Work performed for own account and capitalised</b>	<b>Group</b>		<b>Parent company</b>	
	(DKK 1.000)	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	Capitalised direct payroll	22.980	24.222	22.980	24.222
	Capitalised indirect production costs	1.938	2.123	1.938	2.123
		<b>24.918</b>	<b>26.345</b>	<b>24.918</b>	<b>26.345</b>

<b>3</b>	<b>Other external expenses</b>	<b>Group</b>		<b>Parent company</b>	
	(DKK 1.000)	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	Fees to auditors				
	Audit fees, external auditor	420	400	395	375
	Consultancy fees, external auditor	644	3.277	644	3.277
	Other assurance engagements, external auditor	52	139	52	139
		<b>1.116</b>	<b>3.816</b>	<b>1.091</b>	<b>3.791</b>

## 4 Staff costs

	Group		Parent company	
(DKK 1.000)	2022	2021	2022	2021
Wages and salaries	512.971	498.517	512.971	498.517
Pensions	90.824	92.610	90.824	92.610
Other social security costs	2.642	2.453	2.642	2.453
	<b>606.437</b>	<b>593.580</b>	<b>606.437</b>	<b>593.580</b>
Of which remuneration to the Executive Board and the Board of Directors				
Salaries to the Executive Board	4.060	3.468	4.060	3.468
Pensions to the Executive Board	654	580	654	580
Remuneration to the Board of Directors	1.733	1.634	1.733	1.634
	<b>6.447</b>	<b>5.682</b>	<b>6.447</b>	<b>5.682</b>

Salary and pension for the current CEO totalled 1.088 TDKK for the period of 1. August – 31. December 2022.

Salary and pension for the resigned CEO totalled 1.589 TDKK for the period 1. January – 31. July 2022, including performed -based pay of 53 TDKK and holiday allowance upon resignation 84 TDKK.

Salary and pension for the CFO totalled 2.037 TDKK including performed-based pay of 46 TDKK.

The remuneration of the Chairman of the Board of Directors was 444 TDKK, the remuneration of the Deputy Chairman 306 TDKK and the remuneration of other members 142 TDKK. Remuneration to members of the Audit Committee totalled 128 TDKK.

## Average number of employees

603	613	603	613
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## 5 Depreciation, amortisation and impairment losses

	Group		Parent company	
(DKK 1.000)	2022	2021	2022	2021
Intangible assets acquired	1.523	1.856	1.523	1.856
ATM system	48.074	45.546	48.074	45.546
Land and buildings	22.606	22.521	22.606	22.521
Plant and machinery	43.488	41.613	43.488	41.613
Fixtures and fittings, tools and equipment	3.052	3.299	3.052	3.299
Government grants for capital expenditure projects	-9.326	-7.252	-9.326	-7.252
	<b>109.417</b>	<b>107.583</b>	<b>109.417</b>	<b>107.583</b>

## 6 Financial income

	Group		Parent company	
(DKK 1.000)	2022	2021	2022	2021
Foreign exchange gains	1.476	194	1.472	190
Interest income group enterprises	0	0	6.924	6.590
Interest income associates	0	6	0	6
Other interest income	191	173	190	173
Non-deductible interest and percentage supplement	13	6	13	6
	<b>1.680</b>	<b>379</b>	<b>8.599</b>	<b>6.965</b>

## 7 Financial expenses

	Group		Parent company	
(DKK 1.000)	2022	2021	2022	2021
Foreign exchange losses	1.798	511	1.798	511
Capital losses on bonds	17.418	12.780	17.416	12.777
Non-deductible interest and percentage supplement	2.000	0	2.000	0
Capitalisation of interim interest	-1.573	-2.257	-1.573	-2.257
	<b>19.643</b>	<b>11.034</b>	<b>19.641</b>	<b>11.031</b>

## 8 Income tax expense

	Group		Parent company	
(DKK 1.000)	2022	2021	2022	2021
Change in deferred tax	8.335	-1.097	9.859	354
	<b>8.335</b>	<b>-1.097</b>	<b>9.859</b>	<b>354</b>

## 9 Proposed distribution of profit

	Group		Parent company	
(DKK 1.000)	2022	2021	2022	2021
Reserve for net revaluation according to the equity method	7.350	1.929	0	0
Retained earnings	27.100	-4.146	32.766	1.125
	<b>34.450</b>	<b>-2.217</b>	<b>32.766</b>	<b>1.125</b>



10	Intangible assets (DKK 1.000)	Intangible rights ac- quired	ATM system	Intangible assets under construction	Total
	Cost at 1. January 2022	28.965	1.003.856	22.326	1.055.147
	Additions	1.174	2.904	15.243	19.321
	Transfers	835	19.245	-20.080	0
	<b>Cost at 31. December 2022</b>	<b>30.974</b>	<b>1.026.005</b>	<b>17.489</b>	<b>1.074.468</b>
	Depreciation, amortisation and impairment losses	26.875	498.057	0	524.932
	Depreciation charge	1.523	48.074	0	49.597
	<b>Depreciation, amortisation and impairment losses</b>	<b>28.398</b>	<b>546.131</b>	<b>0</b>	<b>574.529</b>
	<b>Carrying amount at 31. December 2022</b>	<b>2.576</b>	<b>479.874</b>	<b>17.489</b>	<b>499.939</b>
	Portion related to capitalised finance costs	0	26.353	75	26.428

11	Property, plant and equipment (DKK 1.000)	Land and build- ings	Plant and machinery	Fixtures and fittings, tools and equip- ment	Property, plant and equip- ment under constructio	Total
	Costs at 1. January 2022	681.740	719.201	33.192	72.117	1.506.250
	Additions	6.124	1.270	2.606	71.421	81.421
	Disposals	-82	-5.904	-6.087	0	-12.073
	Transfers	1.535	5.012	3.898	-10.445	0
	<b>Costs at 31. December 2022</b>	<b>689.317</b>	<b>719.579</b>	<b>33.609</b>	<b>133.093</b>	<b>1.575.598</b>
	Depreciation, amortisation and impairment losses at 1 January 2022	419.985	471.116	26.083	0	917.184
	Depreciation for the year	22.524	43.488	3.052	0	69.064
	Write-downs on scrapped assets	82	0	0	0	82
	Disposals	-82	-5.904	-6.087	0	-12.073
	<b>Depreciation, amortisation and impairment</b>	<b>442.509</b>	<b>508.700</b>	<b>23.048</b>	<b>0</b>	<b>974.257</b>
	<b>Carrying amount at 31. December 2022</b>	<b>246.808</b>	<b>210.879</b>	<b>10.561</b>	<b>133.093</b>	<b>601.341</b>
	Portion related to capitalised finance costs	6.680	11.630	0	2.375	20.685

Except for a few buildings with a total carrying amount of DKK 34.3 million at the end of 2022, primarily constructed for navigation equipment at various locations across Denmark and in Greenland, Naviair's total building stock with a total carrying amount of DKK 148.8 million at the end of 2022 consisted of buildings on leased land. These included the entire Naviair headquarters with ATCC, simulator buildings and offices situated in Maglebylille, and the Tower at Copenhagen Airport, Kastrup. These buildings all sit on land owned by Copenhagen Airports A/S.

12 Financial Assets

	Group			Parent company		
	Investment in associates	Other securities and equity invest- ments	Total	Invest- ments in group enter- prises	Investments in associates	Total
(DKK 1.000)						
Cost at 1. January 2022	4.833	180.177	185.010	75.500	4.833	80.333
<b>Cost at 31. December 2022</b>	<b>4.833</b>	<b>180.177</b>	<b>185.010</b>	<b>75.500</b>	<b>4.833</b>	<b>80.333</b>
Value adjustments at 1. January 2022	27.790	-33.800	-6.010	-57.155	0	-57.155
Foreign exchange adjustments	-2.308	0	-2.308	0	0	0
Share of profit for the year	7.350	0	7.350	0	0	0
<b>Value adjustments at 31. December 2022</b>	<b>32.832</b>	<b>-33.800</b>	<b>-968</b>	<b>-57.155</b>	<b>0</b>	<b>-57.155</b>
<b>Carrying amount at 31. December 2022</b>	<b>37.665</b>	<b>146.377</b>	<b>184.042</b>	<b>18.345</b>	<b>4.833</b>	<b>23.178</b>

Other securities and equity investments consist of a 4.13% ownership interest in Aireon Holdings LLC ("Aireon"), which was acquired in multiple tranches in the period 2014-2017. The company Aireon develops and implements space-based global air traffic surveillance systems for commercial airlines and ANSPs.

Equity investments are recognised in financial fixed assets and measured at fair value. Fair value is calculated on the basis of a return-based cash flow model based on expected net cash flows in the form of expected dividends from Aireon for a period up to 2034, and a terminal value consisting of the value of general and ordinary dividends going forward.

We have carried out a valuation and calculated the fair value based on the latest budgeted results of Aireon's operations. The budget is subject to uncertainty partly related to the future, including the outlook for aviation in general given COVID-19, and partly related to the company's growth strategy. This growth assumes that new countries will sign up to the system and that air traffic will increase.

- The fair value has been determined using the following parameters:
- The fair value has been determined using a return-based cash flow model based on expected net cash flows in the form of expected dividends from Aireon for a period up to 2034.
  - Long-term growth of 2% has been included. This is considered a reasonable growth rate in the long term, corresponding to general inflation and market growth. According to US CPI (US consumer price index), inflation has historically been 2-3%.
  - The investment discount rate has been set by reference to a required return (WACC) of 15%. This is based on the required interest rate for comparable investments.

Against this background, it is our opinion that the fair value of the unlisted equity investment in Aireon should be carried at an unchanged value of DKK 146.4 million at 31 December 2022, which is the fair value determined at 31 December 2020 and maintained in 2021.

(DKK 1.000)	Residence	Retsform	Ownership share	Equity 31. Decem- ber 2022	Result 2021
<i>Investments in group enterprises comprise:</i>					
Naviair Surveillance A/S	Copenhagen	A/S	100,0	7.397	-5.673
Naviair Surveillance USA LLC	Delaware, USA	LLC	100,0	146.448	5
<i>Investments in associates com- prise:</i>					
Entry Point North AB	Malmø-Sturup, SWE	AB	33,3	112.993	22.051
<i>Other securities and equity investments comprise:</i>					
Aireon Holdings LLC	Delaware, USA	LLC	4,13		

**13 Trade receivables**

(DKK 1.000)

	Group		Parent company	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Trade receivables, gross	185.737	165.795	185.737	165.795
Provision for bad and doubtful debts	-16.393	-16.746	-16.393	-16.746
	<b>169.344</b>	<b>149.049</b>	<b>169.344</b>	<b>149.049</b>

**14 Other receivables**

(DKK 1.000)

	Group		Parent company	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
VAT and duties	5.362	3.203	5.359	3.194
Other receivables	95.202	98.689	95.202	98.689
	<b>100.564</b>	<b>101.892</b>	<b>100.561</b>	<b>101.883</b>

**15 Regulatory under-recoveries**

(DKK 1.000)

	En route Denmark	TNC Copenhagen	Billund	I alt
Regulatory under-recoveries at 1. January 2022	486.553	178.930	21.074	686.557
Adjustment re prior years	30.184	12.145	0	42.329
New over-recovery arising during the year	67.567	17.521	0	85.088
<b>Regulatory under-recoveries at 31. December 2022</b>	<b>584.304</b>	<b>208.596</b>	<b>21.074</b>	<b>813.974</b>

Including under-recovery from before 2022 expected to be reversed within 1 year	27.038	15.995	0	43.033
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**16 Prepayments**

(DKK 1.000)

	Group		Parent company	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Prepaid payroll	27.093	31.145	27.093	31.145
Other prepayments	10.581	9.786	10.581	9.786
	<b>37.674</b>	<b>40.931</b>	<b>37.674</b>	<b>40.931</b>



17 Deferred tax

	Group		Parent company	
(DKK 1.000)	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Deferred tax relates to the following items:				
Property, plant and equipment	82.644	104.656	82.644	104.656
Over-recoveries charges	179.074	151.043	179.074	151.043
Tax loss carryforward	-186.633	-188.949	-182.196	-186.036
	75.085	66.750	79.522	69.663

Provision for deferred tax at 31 December 2022 has been made at 22%, corresponding to the current tax rate. Naviair expects to generate positive taxable income within the coming years and thus the tax loss carried forward is expected to be usable in parallel with the regulatory under-recoveries being charged until 2029.

18 Subordinated loan capital

Subordinated loan capital covers a bullet loan with the Danish state represented by the Ministry of Transport. Each year, Naviair's Board of Directors must decide the extent to which it deems further repayment of the loan prudent based on an overall assessment of Naviair's financial position, liquidity and the extent of non-subordinated debt. No repayments were made on the loan in 2022. Interest is fixed at 4% p.a., and the loan ranks after Naviair's other interest-bearing debt. According to the loan agreement, the loan thus meets the conditions for being considered as equity or equivalent capital.

19 Other payables

	Group		Parent company	
(DKK 1.000)	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Holiday pay liability	38.392	37.209	38.392	37.209
Payroll, A-tax, social security contributions ect. payable	43.793	105.451	43.793	105.451
Other payables	19.968	17.365	19.968	17.365
	102.153	160.025	102.153	160.025

20 Contingent liabilities

Naviair has a liability of up to DKK 0.9 billion under the Danish Act on Civil Servant Pension's Section 32 on availability pay for civil servants and employees employed under collective agreement on special terms. The obligation in respect of availability pay consists of three years' salary, including pension.

Contractual obligations

Naviair is a party to a number of contracts under which Naviair is under obligation to render a contractual performance.

Naviair is under obligation to provide ANS under the Danish Civil Aviation and Railway Authority's designation of Naviair and under agreements with Danish airports. Furthermore, Naviair has entered into contracts on support and maintenance of aviation-related systems and equipment with Danish airports and other Danish ANSPs.

Within the area of property, plant and equipment under construction, Naviair has entered into contracts on upgrading of Naviair's ATM system and acquisition of aviation-related equipment and systems to a value of DKK 144 million. The remaining payment obligation under these contracts is approx. DKK 80 million.

21 Related parties and ownership

Basis

Control

Danish Ministry of Transport, DK-1220 København K      Owner, 100 %

Other related parties

Danish Civil Aviation and Railway Authority, DK	Supervisory authority
Entry Point North AB	Associate
Naviair Surveillance A/S	Group enterprise
Naviair Surveillance USA LLC	Group enterprise
Danish Defence	Contract for aerodrome and approach control services at Aalborg Airport Cooperation agreement on joint ANS and ATM provision
Board of Directors and Executive Board	Managerial control

For information on Naviair’s transactions with the Board of Directors and the Executive Board, reference is made to the note on staff costs.

Naviair has raised a subordinated loan with the Danish Ministry of Transport as described in the note on subordinated loan capital.

All transactions with related parties are conducted on an arm’s length basis.

22 Events after the balance sheet date

There have been no events after the reporting period that affect the fair presentation of profit for the year or the balance sheet at pr. 31. December 2022.

23 Cash flow statement - working capital movements

	Group		Parent company	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
(DKK 1.000)				
Changes in receivables etc.	-143.127	-404.481	-150.043	-404.474
Change in liabilities other than provisions ect.	-6.414	7.981	-6.411	7.979
	-149.541	-396.500	-156.454	-396.495

# NAVIAIR

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Annual report 2022 published March 2023

Front page: Emirates Boeing 777-300 during take-off in Copenhagen

Photo: Christian Alsing, Kasper Meldgaard (Naviair) and Jan Eliassen (Naviair)

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